

FACT SHEET

SHORT-TERM ENVIRONMENTAL EXPORT INSURANCE POLICY

Companies which export environmentally beneficial products and services on terms up to 180 days or less may qualify for Ex-Im Bank's Environmental Export Policy. This short-term export insurance policy will provide 95 percent coverage against commercial losses and 100 percent coverage against political losses, with no deductible. Products must be U.S. manufactured and consist of at least 51 percent U.S. content and service. Services covered under the policy must be from entirely U.S. sources.

QUALIFICATION REQUIREMENTS

- # The product or service must be environmentally beneficial as defined in attachment A;
- # The exporter must qualify as a "small business" under U.S. Small Business Administration guidelines;
- # The exporter must supply audited or signed financial statements for the latest fiscal year showing a positive net worth; and
- # The exporter must provide satisfactory written references from a credit reporting agency, two suppliers, and a commercial bank.

MULTI-BUYER POLICIES

Qualified environmental exporters who want an insurance policy which covers all their sales to multiple foreign buyers will benefit from:

- # A "hold harmless" feature that will allow their lending institutions to be covered against exporter non-performance. In conjunction with the commercial and political risk coverage, afforded by the policy, this gives the lending institution as much assurance of repayment as is available in the market today.
- # A non-deductible provision which exempts environmental exporters from Ex-Im Bank's ordinary requirement that exporters pay certain amounts on the first loss claimed under the policy;
- # A special rate schedule that will particularly benefit new-to-export environmental exporters by potentially lowering their policy rates;

- # A "discretionary credit limit" provision which will allow qualified environmental exporters to use their own credit procedures, in conjunction with specific Ex-Im Bank policy requirements, to qualify foreign buyers for the Environmental Export Policy. Ex-Im Bank will still help qualify foreign buyers when requested, however, exporters themselves will be primarily responsible for making these credit judgments.

SINGLE BUYER POLICIES

Qualified environmental exporters interested in insurance for sales to one buyer will benefit from:

- # A substantial reduction in Ex-Im Bank's normal minimum premium requirements, e.g., from \$10,000 to \$1000, which will allow much smaller export transactions to benefit from Ex-Im Bank insurance coverage. Although minimum premium requirements will vary for each export market, in Mexico an export sale to a private buyer on 60 day open account terms can now be as small as \$135,000 instead of Ex-Im Bank's ordinary minimum transaction limit which requires an export sale of \$1,350,000 in order to qualify for Ex-Im Bank support.

EXPORTS WHICH QUALIFY FOR EX-IM BANK'S SHORT-TERM ENVIRONMENTAL EXPORT INSURANCE POLICY

Exports of products and services specifically used to aid in the abatement, control or prevention of air, water and ground contamination or pollution, or which provide protection in the handling of toxic substances will be considered eligible for support, subject to a final determination by Ex-Im Bank. The following are examples of the types of exports generally considered eligible:

Instruments to measure or monitor air or water quality
Emission control devices
Effluent pollution control devices
Equipment for systems for waste disposal, refuse collection and waste water treatment
Services to upgrade environmental regulations; environmental assessments, design and training
Ecological studies; ecological monitoring equipment
Toxic material handling devices
Certain renewable and alternative energy equipment

These examples are illustrative and are not intended to be all inclusive, and eligibility is subject to existing Ex-Im Bank foreign content guidelines.

MORE INFORMATION

Additional information is available from Ex-Im Bank at:

U.S. Toll Free Number:	(800) 565-EXIM
Worldwide Number:	(202) 565-3946
Business Development:	(202) 565-3900 FAX: (202) 565-3931
TDD:	(202) 565-3377
Fax Retrieval:	(800) 565-EXIM, press 1, press 2
E-Mail:	bdd@exim.gov
Internet:	http://www.exim.gov

Regional Offices:

Northeast - New York	(212) 466-2950 Fax (212) 466-2959
Mid-Atlantic - Washington, DC	(202) 565-3940 Fax (202) 565-3932
Southeast - Miami	(305) 526-7425 Fax (305) 526-7435
Midwest - Chicago	(312) 353-8081 Fax (312) 353-8098
Southwest - Houston	(281) 721-0465 Fax (281) 679-0156
West - Long Beach	(562) 980-4580 Fax (562) 980-4590